



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210

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www.nr.utah.gov

Michael O. Leavitt
Governor

Robert L. Morgan
Executive Director

Lowell P. Braxton
Division Director

FACSIMILE COVER SHEET

DATE: March 25, 2004

NUMBER OF PAGES INCLUDING THIS COVER SHEET: 4

TO: Edna Roberson
US Bank
918 17th St
Denver Co 80202

FAX NUMBER: 1-303-585-4640

FROM: Joelle Burns
Minerals Reclamation and Development Program

PHONE: (801) 538-5291

FAX: (801) 359-3940

SUBJECT: C.D. Cover Letter - Intrepid Wenden Potash LLC
Bonneville Plant - m/045/002

REMARKS: please sign and fax back the US bank
signature. We will send the original
to Intrepid and ask that they sign and then
have you re-sign the original at a later
date. If there is anything more we need to do to get the
CD Thank you for your help.
Let us know. Joelle

Should you encounter any problems with this copy or do not receive all the pages, please call.

Important This message is intended for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return this original message to us at the above address via regular postal service. Thank you

TRANSACTION REPORT

P. 01

MAR-25-2004 THU 04:23 PM

FOR: OIL, GAS & MINING

801 359 3940

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OLENE S. WALKER
Governor
GAYLE F. McKEACHNIE
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

March 25, 2004

U S Bank
918 17th Street
Denver, Colorado 80202
(303) 585-9208

Attention: Mark Thompson, Senior Vice President, Relationship Manager

Re: Reclamation Surety, Certificate of Deposit for Intrepid Wendover Potash, LLC
Bonneville Plant – Reilly Wendover Mine Site, M/045/002, Tooele County, Utah
Certificate of Deposit no. _____ Principal Amount \$49,100

This letter describes the mutually agreed upon instructions of the below signed parties to U S Bank (“Bank”), regarding the control, redemption, and release of Bank’s above-described certificate of deposit (CD), which is being used as a surety to guarantee the availability of reclamation funds for the Bonneville Plant – Reilly Wendover mine site (“Mine Site”), Tooele County, Utah. It is the intention of the parties that the CD be utilized as surety to guarantee that \$49,100 in reclamation funds will be available to the State of Utah, Division of Oil, Gas & Mining (Division) upon demand in the event that the operator(s) of the Mine Site are unable or unwilling to complete reclamation of the mine site in compliance with applicable state law and regulations.

Ownership and Renewal:

Ownership of the CD is retained by Intrepid Wendover Potash, LLC a limited liability corporation, (“Owner”), but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas & Mining and U S Department of Interior, Bureau of Land Management (“USDOI – BLM”) and is subject to the terms and conditions described in this agreement. The CD shall automatically renew indefinitely until either redeemed or released by both the Director of the Division and the authorized officer of USDOI - BLM.

Redemption:

The CD may only be redeemed (i.e., called on demand), pursuant to the written instruction or demand of both the Director of the Utah Division of Oil, Gas & Mining and the authorized officer of USDOl - BLM to the Bank. Upon the instruction and demand of the Director and authorized officer of USDOl - BLM, the full initial amount of the CD shall be transferred to the State of Utah, Division of Oil, Gas and Mining. Owner agrees and irrevocably instructs Bank that neither the Owner, nor any other person claiming an ownership interest in the CD which is derived from the Owner, shall have the authority to prevent the Bank from carrying out the Director's instruction to redeem the CD. Upon redemption, any accrued interest in excess of the initial amount of the CD shall be transferred to Owner's control, or if Owner do not instruct the Bank, the accrued interest shall be reinvested in the CD. If a signature card is prepared, it shall be drafted consistent with the requirement that only the Director of the Division and the authorized officer of USDOl - BLM may redeem the CD.

Release:

The bank shall release the CD only upon the written instruction of both the Director of the Division and the authorized officer of USDOl - BLM to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owner, or their legal successors-in-interest.

Accrued Interest:

Prior to release or redemption, all interest which accrues by the CD shall be 1) dispersed quarterly to the Owner as the Owner may instruct the Bank, or 2) shall be reinvested in the CD until such time as the Owner may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD which would cause the redemption amount of the CD to be less than the initial amount, \$49,100. All tax liabilities for accrued interest shall remain the sole responsibility of the Owner.

Bank will not be held liable for any dispute between the parties.

Agreed Upon By:

Lowell P. Braxton, Director
Utah Division of Oil, Gas & Mining

Date: _____

Robert Lopez, Branch Chief of Minerals Adjudication
USDOL, Bureau of Land Management

Date: _____

Robert Jornayvaz, President
Intrepid Wendover Potash, LLC
Tax ID Number: _____

Date: _____

Mark Thompson, SVP Relationship Manager
U S Bank

Date: _____

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